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CS/MBA(SUPPLE)/SEM-4/FM-406/09
MANAGEMENT OF FINANCIAL SERVICES (SEMESTER - 4)

1. .....
Signature of Invigilator

2. .....
Signature of the Officer-in-Charge

Reg. No.

Roll No. of the Candidate

CS/MBA(SUPPLE)/SEM-4/FM-406/09

ENGINEERING & MANAGEMENT EXAMINATIONS, JULY – 2009

MANAGEMENT OF FINANCIAL SERVICES (SEMESTER - 4)

Time : 3 Hours] [Full Marks : 70

INSTRUCTIONS TO THE CANDIDATES :

1. This Booklet is a Question-cum-Answer Booklet. The Booklet consists of **32 pages**. The questions of this concerned subject commence from Page No. 3.
2. a) In **Group – A**, Questions are of Multiple Choice type. You have to write the correct choice in the box provided **against each question**.
   b) For **Groups – B** & **C** you have to answer the questions in the space provided marked 'Answer Sheet'. Questions of **Group – B** are Short answer type. Questions of **Group – C** are Long answer type. Write on both sides of the paper.
3. **Fill in your Roll No. in the box** provided as in your Admit Card before answering the questions.
4. Read the instructions given inside carefully before answering.
5. You should not forget to write the corresponding question numbers while answering.
6. Do not write your name or put any special mark in the booklet that may disclose your identity, which will render you liable to disqualification. Any candidate found copying will be subject to Disciplinary Action under the relevant rules.
7. **Use of Mobile Phone and Programmable Calculator is totally prohibited in the examination hall.**
8. You should return the booklet to the invigilator at the end of the examination and should not take any page of this booklet with you outside the examination hall, **which will lead to disqualification**.
9. Rough work, if necessary is to be done in this booklet only and cross it through.

No additional sheets are to be used and no loose paper will be provided

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Marks Obtained

	Group – A										Group – B			Group – C				
Question Number																	***Total Marks***	***Examiner's Signature***
Marks Obtained																		

.....
Head-Examiner/Co-Ordinator/Scrutineer

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GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10

i) "AAA" rating of CRISIL indicates

a) highest safety of debenture

b) moderate safety of debenture

c) moderate safety of company fixed deposits

d) highest safety of company fixed deposits. ☐

ii) Which of the following qualifies as a self-regulatory organization ?

a) SEBI

b) RBI

c) NSE

d) AMFI. ☐

iii) The sponsor of a Mutual Fund may be compared to

a) a director in a company

b) the Chief Executive of a company

c) the promoter of a company

d) an equity shareholder of a company. ☐

iv) If the entry load is 2% and the NAV is Rs. 10, then the investor will have to pay for 1000 units

a) Rs. 15,000

b) Rs. 8,000

c) Rs. 12,000

d) Rs. 10,200. ☐

v) Which of the following does *not* have an electronic platform for equity trading ?

a) ICICI Direct

b) HDFC Securities

c) Religare

d) SEBI. ☐

vi) Income earned by Mutual Fund registered with SEBI is exempt from Income Tax as per Section

a) 10 (23 D)

b) 10 (33)

c) 88

d) none of these. ☐

vii) Yield and price of a Bond move

a) in opposite directions

b) together in the same direction

c) in an unrelated direction

d) in line with the inflation index. ☐

viii) The current market price of a 9% coupon bond, when other bonds of similar maturities pay 11% will be

a) above par

b) below par

c) at par

d) unrelated to other bonds. ☐

ix) The rule of 72 is used to

a) calculate the entry load of a scheme

b) calculate the period in which an investment will double at a given rate of return

c) calculate the rate at which money will grow to double in a given period

d) both (b) and (c). ☐

x) How many scripts does Nifty constitute of ?

a) 40

b) 30

c) 100

d) none of these.

xi) When was SEBI established ?

a) 1990

b) 1991

c) 1992

d) 1994.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

2. Compare and contrast among NSE, OTCEI & Regional Stock Exchange.

3. Discuss the meaning of Bull, Bear, Stag, Lame Duck in the context of Stock Market of India.

4. Explain the role of SEBI and write how the work of the SEBI is organized.

5. Write down the role of NSDL and CDSL.

6. The following data of a Mutual Fund Scheme are available :

(Rs. In lakh)

Value of investment	50.00
Receivables	1.00
Accrued Income	0.80
Other Current Assets	4.00
Liabilities	3.50
Accrued Expenses	0.50

No. of Outstanding Units 1,00,000

Calculate NAV. If the maximum Sales Charge is 2% on the NAV, calculate POP (Public Offering Price) at that level.

GROUP – C

(Long Answer Type Questions)

Answer any *three* questions. 3 × 15 = 45

7. a) What do you mean by Financial Services ?

   b) What are the significances of financial systems ?

   c) What are the components of Indian Financial System ? 2 + 8 + 5

8. a) What is a Stock Exchange ?

   b) Who are the middlemen in Stock Exchanges ?

   c) What is NAV and how is NAV determined ?

   d) Write a short note on Credit Card. 2 + 3 + 6 + 4

9. a) What is Merchant Banking ?

   b) Classify Merchant Banking.

   c) What are the functions of Merchant Banking ?

   d) Discuss the recent trends in Merchant Banking in India. 2 + 3 + 6 + 4

10. a) Write down the functions of Depository Services.

    b) Write short notes on Housing Loans or other Personal Loans.

    c) What are Demat and Remat ? 5 + 5 + 5

11. a) What is a Credit Rating Agency ?

    b) What are the different Credit Rating Agencies operating in India ?

    c) Discuss the functions of Credit Rating Agencies. 2 + 3 + 10

END